

(Translation)

Unofficial Translation*

**FUND FOR SPECIAL FINANCIAL INSTITUTION SYSTEM DEVELOPMENT ACT
B.E.2558**

**BHUMIBOL ADULYADEJ, REX.
Given on the 20th Day of March B.E. 2558;
Being the 70th Year of the Present Reign**

His Majesty King Bhumibol Adulyadej has the Royal Proclamation to announce that:

Whereas it is expedient to have the law governing the fund for special financial institution system development;

Therefore, His Majesty the King Bhumibol Adulyadej has graciously been pleased to enact this Act, with the advice and consent of the National Legislative Assembly, as follows:

Section 1 This Act shall be called the “Fund for Special Financial Institution System Development Act B.E. 2558”.

Section 2¹ This Act shall come into force as from the date following the date of its publication in the Government Gazette.

Section 3 In this Act:

“Fund” means the Fund for Special Financial Institution System Development;

“Special Financial Institution” means:

- (1) Bank for Agriculture and Agricultural Cooperatives as per the Law Governing the Bank for Agriculture and Agricultural Cooperatives;
- (2) Government Savings Bank as per the Law Governing the Government Savings Bank;
- (3) Government Housing Bank as per the Law Governing the Government Housing Bank;
- (4) Islamic Bank of Thailand as per the Law Governing the Islamic Bank of Thailand;
- (5) Financial institutions particularly established under the laws as announced and prescribed by the Minister;

“Committee” means the Committee of Fund for Special Financial Institution System Development;

“Minister” means the Minister taking charge under this Act;

¹ The Government Gazette, Volume 132 Section 21A, Page 43 dated 26th March 2015

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Section 4 The Minister of Finance shall take charge under this Act and shall have powers to issue announcements for the execution of this Act.

Upon their publication in the Government Gazette, such announcements shall come into force.

CHAPTER 1

FUND FOR SPECIAL FINANCIAL INSTITUTION SYSTEM DEVELOPMENT

Section 5 A fund called “Fund for Special Financial Institution System Development” shall be established in the Fiscal Policy Office, for purposes of reconstruction and development of secure and stable financial institution system, giving of financial assistance and support to special financial institutions and enhancement of national economic and financial security.

Section 6 The Fund shall be comprised of:

- (1) Money remitted by special financial institutions under Section 15 and surcharges under Section 16;
- (2) Subsidies as allocated, from time to time, by the Government;
- (3) Money or assets donated or given to the Fund;
- (4) Money or assets vested in the Fund;
- (5) Fruits or benefits accrued from money or assets of the Fund;

Section 7 Income of the Fund shall not be remitted to the Ministry of Finance as the state revenue as per the law governing budgeting procedures and the law governing treasury reserves.

Section 8 Money of the Fund shall be spent for the following purposes:

- (1) Source of money for capital increase to special financial institutions under Section 17;
- (2) Giving of financial assistance on capital increase to other financial institutions under Section 18;
- (3) Special financial institution system development under Section 19;
- (4) Giving of financial assistance to the Fund for Reconstruction and Development of Financial Institution System by means of lending of money under Section 22;
- (5) Expenses of business operation of the Fund under Section 23;

Section 9 A committee, called the “Committee of Fund for Special Financial Institution System Development”, shall be established consisting of the Permanent Secretary for Finance, as the Chairperson, the Director of the Bureau of the Budget, the Secretary General of the Council of State, the Director-General of the Comptroller General’s Department, the Director of the State Enterprise Policy Office, the Director of the Public Debt Management Office, and the Governor of the Bank of Thailand, as members.

The Director of the Fiscal Policy Office shall act as member and secretary, and shall appoint personnel of the Fiscal Policy Office as assistant secretary.

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Section 10 A meeting of the Committee shall be attended by at least half of the total number of members of the Committee to constitute a quorum.

In the Committee's meeting, in case, the Chairperson is absent or unable to perform his or her duties, members attending the meeting shall select a member to act as the Chairperson of the Meeting.

The decision of the Meeting shall be made by the majority votes. One member shall have one vote. In case of a tie, the Chairperson of the Meeting shall have a casting vote.

Section 11 The Committee shall have powers and duties, as follows:

- (1) Prescribe the criteria and methods of remittance of money into the Fund under Section 15 and surcharges under Section 16;
- (2) Prescribe the criteria, methods and conditions for consideration of allocation of money from the Fund for capital increase under Section 17 and Section 18;
- (3) Consider projects or work plans for special financial institution system development under Section 19;
- (4) Consider the allocation of fund as approved by the Cabinet under Section 20;
- (5) Issue regulations on the storage of money and spending of fund for investment or seeking of benefits under Section 14;
- (6) Issue regulations on expenses of business operation of the Fund under Section 23;
- (7) Issue regulations on the receipt of money and payment of the Fund;
- (8) Propose opinions to the Minister for issuing of announcements under this Act;
- (9) Take any other actions as prescribed by laws as power and duties of the Committee or as designated by the Cabinet;

Section 12 The Committee shall have powers to appoint a subcommittee to take any actions as designated by the Committee.

Provisions contained in Section 10 shall, *mutatis mutandis*, apply to the subcommittee's meeting.

Section 13 The Chairperson, members of the Committee and members of the subcommittee shall receive benefits as prescribed by the Minister.

Benefits under Paragraph 1 shall be regarded as expenses of the Fund.

Section 14 The spending of money of the Fund for investment or seeking of benefits shall be deposited with the special financial institution for investment in the Government bonds or debt instruments used by the Government for guarantee of principal and interest or investment in stocks with high security, thus, in accordance with the criteria and methods as announced and prescribed by the Committee.

CHAPTER 2

REMITTANCE OF MONEY TO THE FUND FOR SPECIAL FINANCIAL INSTITUTION SYSTEM DEVELOPMENT

Section 15 The special financial institution shall be obliged to remit money to the Fund at the rates as announced and prescribed by the Minister, with the Cabinet's approval, but not exceeding one percent per year of the amount of money received from the general public.

Amounts of money received from the general public and calculation of amounts of money to be remitted to the Fund shall be in accordance with the criteria and methods as announced and prescribed by the Committee, with the Cabinet's approval.

Regarding the announcement of rates of money to be initially remitted to the Fund, a single rate thereof shall be fixed, and for the next remittance thereof, different rates of money may be fixed as per types or status of operation of the special financial institution.

Section 16 Any special financial institution which has failed to remit money to the Fund or has remitted money incompletely within the prescribed period shall pay surcharges at the rate of not exceeding two percent per month of the amount of money unremitted or incompletely remitted, thus, in accordance with the criteria and methods as announced and prescribed by the Committee, with the Cabinet's approval.

CHAPTER 3

PAYMENT OF THE FUND FOR SPECIAL FINANCIAL INSTITUTION SYSTEM DEVELOPMENT

Section 17 In case, any special financial institution has any reason to increase its capital, in case, the Ministry of Finance deems it expedient to spend money from the Fund, the matter shall be proposed to the Committee for consideration of amount of money to be allocated from the Fund for capital increase.

When the Committee has already considered the amount of money to be allocated under Paragraph 1, the Ministry of Finance shall propose the Committee's opinions to the Cabinet for consideration and approval.

The consideration of the Committee under Paragraph 1 shall be in accordance with the criteria, methods and conditions as announced and prescribed by the Committee.

Section 18 In case, it is necessary that the Cabinet shall have powers to prescribe that a financial institution established under a special law but not being a special financial institution under this Act shall spend money from the Fund for capital in case, the provisions contained in Section 17 shall apply *mutatis mutandis*.

The consideration of the Committee for spending of money from the Fund for capital increase under Paragraph 1 shall be in accordance with the criteria, methods and conditions as announced and prescribed by the Committee.

Section 19 In case, the Ministry of Finance deems it expedient to implement projects or work plans relating to the special financial institution development by spending money from the Fund, the matter shall be proposed to the Committee for consideration of such projects or work plans. In case, the Committee has approved the same, then, such matter shall be proposed to the Cabinet for consideration and approval of money from the Fund for implementation of such projects or work plans.

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Section 20 When the Cabinet has passed its resolution to approve amounts of money to be allocated to special financial institutions or the Ministry of Finance under Section 17, Section 18 or Section 19, as the case may be, the Committee shall instruct the spending of money from the Fund as per the prescribed criteria, and may fix the number of installments of payment thereof as may be suitable, thus, by taking account of mission and liquidity of the Fund.

Section 21 Regarding the capital increase under Section 17 or Section 18, the Office of the National Economic and Social Development Board and the Bureau of the Budget shall propose opinions for the Cabinet's consideration of such matter.

Section 22 In case, the Fund for Reconstruction and Development of Financial Institution System under the law governing the Bank of Thailand is required to receive financial assistance by means of lending of money from the Fund, the Ministry of Finance shall consider and propose the matter for the Cabinet's approval and allocation of money from the said Fund to the Fund for Reconstruction and Development of Financial Institution System.

Upon receiving the Cabinet's approval under Paragraph 1, the Ministry of Finance shall execute a loan agreement as per the amounts approved by the Cabinet; whereby, the Committee shall consider and prescribe details relating to such loan agreement.

Section 23 Expenses of business operation of the Fund shall be in accordance with the regulations as prescribed by the Committee, with the Minister's approval.

CHAPTER 4 **ACCOUNTING, AUDIT AND CERTIFICATION**

Section 24 Within one hundred and twenty days as from the last date of the accounting year, the Committee shall submit financial statements and reports of spending of money of the Fund in the previous year to the Office of the Auditor General of Thailand for audit and certification.

The certified financial statements and reports of spending of money of the Fund under Paragraph 1 shall be submitted to the Minister to be proposed to the Cabinet for acknowledgment.

Counter-Signature:
General Prayut Chan-O-Cha
Prime Minister

Note:- Reason for promulgation of this Act: Whereas, the law governing the deposit protection agency and the law governing the improvement of debt management for the loans borrowed by the Ministry of Finance for assistance to the Fund for Special Financial Institution System Development, has provided for collection of money from private financial institutions for public deposit protection and for assistance to the Fund for Special Financial Institution System Development for repayment of loan debts incurred from Thailand's economic crisis in 1997; however, such collection of money shall not cover the state-owned financial institutions established under special laws; as a result, the cost of raising of deposits from the general public of such state-owned financial institutions shall be lower than those of private financial institutions; therefore, it is necessary to require the collection of money from the state-owned financial institutions in the same manner as those collected by the deposit protection agency and the Bank of Thailand from private financial institutions under the said two laws so that the state-owned financial institutions and the private financial institutions shall have equality in receiving deposits from the general public; whereby, the money collected for establishment of the Fund for Special Financial Institution System Development shall be spent for reconstruction and development of secure and stable financial system, including the giving of financial assistance or support to the state-owned financial institutions established under special laws for the purpose of mitigating of the Government's budgeting burdens and for increase of efficiency in the allocation of financial resources, the law governing establishment of the fund for special financial institution system development shall be enacted for determination of criteria relating to the collection of money from the state-owned financial institutions and the spending of money received from such collection thereof for financial institution system development and assistance to the state-owned financial institutions; therefore, it is necessary to enact this Act.

Prepared by: Preeyanuch
27th March 2015

Checked by: Ekkarit
8th April 2015

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